

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**DELEGATE AUTHORITY TO EXECUTE AMENDMENTS FOR CONTRACT
ASSIGNMENTS, DELEGATIONS AND CONTRACTORS' NAME CHANGES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to delegate authority to the Director of the Department of Mental Health, or his designee, to execute amendments for mergers, acquisitions or any other changes in ownership, upon the approval of County Counsel and the Chief Executive Office and notification to the Board.

REQUEST

Delegate authority to the Director of Mental Health, or his designee, to execute amendments to Department of Mental Health (DMH) contracts, for contract assignments resulting from acquisitions, mergers, or other changes in ownership, and for contractors' name changes, subject to review and approval by County Counsel and Chief Executive Office (CEO) and notification to the Board offices.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In an effort to reduce Board agenda actions resulting from acquisitions, mergers, or other changes in ownership, or contractors' name changes, that do not impact the general contractual terms or payment provisions, the Department is seeking delegated authority to execute related amendments to reflect the correct legal entity and responsibilities of the parties when ownership changes occur, or acknowledge a contractor's name change, subject to review and approval by County Counsel and the CEO and notification to the Board offices. There is no fiscal impact as a result of this action.

BACKGROUND

Currently, all contract assignments resulting from mergers, acquisitions, or other changes in ownership and contractors' name changes amendments are presented as an agenda item for your Board's approval. Under the recommended action, DMH will use delegated authority to execute such amendments. Having the Director or his

designee execute these limited types of amendments will result in a more efficient and timely procedural response to changes in contractor names and business status.

DMH will continue to conduct an analysis of mergers and acquisitions as required under the Evaluation of Vendors/Contractors Engaged in Mergers or Acquisitions Board policy to determine the appropriateness of continuing to contract with a vendor which has changed its corporate status or merged with or been acquired by another company.

County Counsel has approved two different amendment formats to be used for these types of actions.

IMPACT ON CURRENT SERVICE:

Approval of the recommended action will expedite the Department's execution of these amendments to ensure clients experience no break in service due Contractor's corporate transformation and ensure that contract documents reflect the appropriate contractor name and business status.

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Approved By:

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